



**U.S. Immigration
and Customs
Enforcement**

News Release

July 7, 2006

Two Bay Area brothel owners plead guilty to immigration and money laundering charges stemming from Operation Gilded Cage
Defendants agree to forfeit more than \$1 million in criminal proceeds

SAN FRANCISCO – Two women pleaded guilty to immigration and money laundering violations this week and agreed to forfeit more than \$1 million in criminal proceeds for their role in running two San Francisco area brothels uncovered during a multi-agency investigation known as Operation Gilded Cage.

Yon Suk Pang, 56, who owned the Suk Hee Oriental Massage Parlor in San Francisco, pleaded guilty Wednesday to an alien harboring conspiracy and a money laundering conspiracy charge. As part of her plea, Pang agreed to forfeit \$1.2 million in proceeds from her criminal activities.

The second defendant, Min Sung Kim, 50, of Cupertino, pleaded guilty Wednesday to alien harboring in connection with the operation of a second San Francisco brothel, the Golden Dragon Spa. As part of her plea, Kim agreed to forfeit \$70,000 in proceeds from her criminal activities.

The charges against the women stem from a multi-agency investigation involving U.S. Immigration and Customs Enforcement (ICE), the Federal Bureau of Investigation, the San Francisco Police Department, the Internal Revenue Service – Criminal Investigation, and the State Department’s Diplomatic Security Service.

“To date, ten defendants have pleaded guilty in connection with Operation Gilded Cage,” said United States Attorney Kevin V. Ryan. “These pleas, which include the forfeiture of more than \$1.2 million, demonstrate our ongoing commitment to criminally prosecute those who illegally harbor aliens for financial gain. I thank all of the federal and local authorities who worked tirelessly to bring these individuals to justice.”

“This investigation has graphically demonstrated the callous disregard that those who harbor aliens have for their victims,” said Charles DeMore, special agent in charge of the ICE office of investigations in San Francisco. “The criminal enterprise uncovered in this case was hugely lucrative for the defendants involved and it is entirely appropriate that they pay a high price for their illegal activities.”

In pleading guilty, Pang admitted that she employed foreign national females, typically from Korea, as prostitutes at the Suk Hee. The defendant acknowledged she obtained some of these women through brokers and paid the brokers for the debts the women incurred, which usually ranged from \$10,000 to \$15,000. Pang held the women's passports until they repaid those debts. It is estimated that between January 2003 and June 2005, Pang earned more than \$1 million as a result of her ownership of the Suk Hee.

In her guilty plea, Kim admitted that, for an eight-year period beginning in 1997, she owned the Golden Dragon Spa with various partners. During that time, Golden Dragon operated as a brothel and periodically employed illegal alien women from Korea to work as prostitutes. Kim admitted to concealing those women from immigration authorities by failing to report them as employees to the government. She would also alert the women to hide from authorities in an adjacent apartment by ringing an alarm bell. Prior to her arrest, it is estimated that Kim made \$70,000 from operating the Golden Dragon.

Pang's sentencing is set for October 18. Kim is scheduled to be sentenced September 6. Both hearings will be held before U.S. District Court Judge Charles R. Breyer.

The maximum statutory penalty for alien harboring conspiracy is ten years in prison and a \$250,000 fine. The maximum prison sentence for the money laundering conspiracy charge is 20 years. The alien harboring charge carries a maximum penalty of five years in prison and a \$250,000 fine.

ICE